


Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: December 18, 2012

SUBJECT: Fiscal Impact Statement – “Beulah Baptist Church Real Property
Equitable Tax Relief Emergency Amendment Act of 2012”

REFERENCE: Draft shared with the Office of Revenue Analysis on December 17, 2012

Conclusion

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill will reduce tax revenue by approximately \$222,044 over the FY 2013 through FY 2016 budget and financial plan period. The Mayor has identified funds available in the economic development special account of the Office of the Deputy Mayor for Planning and Economic Development to cover the costs of the exemption.

Background

The bill forgives, on an emergency basis, real property taxes owed between October 1, 2010 through September 30, 2020 on 25 properties owned by the Beulah Baptist Church of Deanwood Heights, the Beulah Community Improvement Association, and the Dix Street Corridor Senior Housing, LP. These properties are legally known as:

- Lot 44 in Square 5228;
- Lots 3 and 4 in Square 5229;
- Lots 23, 811, 813, and 814 in Square 5253;
- Lots 14 and 822 in Square 5262;
- Lots 5, 6, 7, 9, 10, 39, and 40 in Square 5263;
- Lots 31, 33, 34, and 807 in Square 5264; and
- Lots 28, 29, 30, 45, and 54 in Square 5266.

The Honorable Phil Mendelson

FIS: Draft, "Beulah Baptist Church Real Property Equitable Tax Relief Emergency Amendment Act of 2012" shared with the Office of Revenue Analysis on December 17, 2012

The bill also exempts certain properties from the list of blighted properties compiled by the Department of Consumer and Regulatory Affairs (DCRA).¹ Properties designated as blighted by DCRA are taxed at the Class 3 real property tax rate of \$5 per \$100 of assessed value.

The bill will sunset as of September 30, 2012; therefore, the bill effectively grants tax relief for tax years 2010 through 2013.

Financial Plan Impact

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill will reduce tax revenue by approximately \$222,044 over the FY 2013 through FY 2016 budget and financial plan period. The Mayor has identified funds available in the economic development special account of the Office of the Deputy Mayor for Planning and Economic Development to cover the costs of the exemption.

The bill effectively forgives taxes owed on the above-mentioned 25 properties for tax years 2011, 2012, and 2013. The total cost of the exemption for this period is approximately \$222,044. Current law already forgives real property taxes owed on these properties for tax year 2010.² Because the bill will sunset as of September 30, 2013, the property will revert to a taxable status starting in 2014. The estimated average tax bill for each year after 2014 is approximately \$60,000.

Estimated Fiscal Impact of the Beulah Baptist Church Real Property Equitable Tax Relief Emergency Amendment Act of 2012, FY 2013- 2016					
	FY 2013	FY 2014	FY 2015	FY 2016	Total
Total taxes owed for FY 2011-2013 (including penalties and interest)	\$222,044	\$0	\$0	\$0	\$222,044

¹ D.C. Official Code §42-3131.16

² FISCAL YEAR 2012 BUDGET SUPPORT ACT OF 2011 Fiscal Year 2012 Budget Support Act of 2011, effective September 14, 2011(D.C. Law 19-21; D.C. Official Code §47-4654).